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QUARTERLY PROGRESS REPORT

JANUARY – MARCH 2006

EGYPT FINANCIAL SERVICES PROJECT

March 31, 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

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ACRONYMS

ABS	Asset-Backed Securities
AI	Appraisal Institute
AMCHAM	American Chamber of Commerce in Egypt
ALC	Arab Legal Consultants
AOJS II	Administration of Justice Support II
BDA	Bond Dealers Association
BOD	Board of Directors
CBE	Central Bank of Egypt
CIDA	Canadian International Development Agency
CAPMAS	Central Agency for Public Mobilization and Statistics
CASE	Cairo and Alexandria Stock Exchanges
CBE	Central Bank of Egypt
CMA	Capital Market Authority
COTS	Commercial Off-the-Shelf
COP	Chief of Party
CRA	Commercial Registry Authority
CORS	Continually Operating Reference Stations
DCA	Development Credit Authority
DO	Egyptian Survey Authority District Office
DVP	Delivery versus Payment
DTGS	Direct Transfer Gross Settlement System
EAA	Egyptian Appraisers Association
EALB	Egyptian Arab Land Bank
EAR	Egyptian Association of Realtors
EAREA	Egyptian Association of Real Estate Appraisers
EBA	Egyptian Bankers Association
EBI	Egyptian Banking Institute
EISA	Egyptian Insurance Supervisory Authority
ECIM	Egyptian Cadastral Information Management (Finnish-funded project)
ECMA	Egyptian Capital Market Association
EDO	Egyptian Survey Authority District Office
EFS	Egypt Financial Services
ELF	Egyptian Finance Liquidity Facility
EHFC	Egyptian Housing Finance Company
EIMA	Egyptian Investment Management Association
EISA	Egyptian Insurance Supervisory Authority
EJA	Egyptian Judges Association
ELA	Egyptian Lawyers Association
EMA	Egyptian Mortgage Association
EMBA	Egyptian Mortgage Brokers Association
EPO	Egyptian Survey Authority Provincial Office
ESA	Egyptian Survey Authority
EREA	Egyptian Real Estate Association
ERESA	Egyptian Real Estate Surveyors Association
ESA	Egyptian Survey Authority
ESOP	Employment Stock Ownership Plan
ESRI	Environment Systems Research Institute
EU	European Union
FinBi	Finance and Banking Consultants International
FTC	Federal Trade Commission
FSVC	Financial Services Volunteer Corps
GAFI	General Authority for Free Zones and Investment

GIS	Geographic Information System
GOE	Government of Egypt
GSF	Guarantee and Subsidy for Real Estate Activities Fund
H&A	Hassouna and Abou Ali Law Firm
IFC	International Finance Cooperation
IFS	International Federation of Surveyors (Egypt Chapter)
IHF	International Housing Finance
ILS	International Land Systems, Inc.
IPF	Investor Protection Fund
KRA	Key Results Area
LADIS	Legislation and Development Information Systems
MBA	Mortgage Bankers Association
MCDR	Misr for Clearing, Depository, and Registry
MFA	Mortgage Finance Authority
MFC	Mortgage Finance Company
MLS	Multiple-listing Service
MSAD	Ministry of State for Administrative Development
MOF	Ministry of Finance
MOH	Ministry of Housing
MOJ	Ministry of Justice
MOI	Ministry of Investment
MOU	Memorandum of Understanding
NAR	National Association of Realtors
NASD	National Association of Securities Dealers
NCCIC	New Cairo Community Information Center
NCJS	National Center for Judicial Studies
NIB	National Investment Bank
NFI	New Financial Instrument
NUCA	New Urban Community Authority for Sixth of October
OST	Overseas Study Tour
PEA	Project Execution Agreement
PO	Provincial Office (of the Egyptian Survey Authority)
PIN	Parcel Identification Number
PMU	Project Management Unit
QPR	Quarterly Progress Report
QSIT	Quality Standards Information Technology
REPD	Real Estate Publicity Department
RETD	Real Estate Tax Department
RFP	Request for Proposal
RFQ	Request for Quotation
RO	Registry Office
SEC	Securities and Exchange Commission
SII	Securities and Investment Institute
ST	Short-term
TDL	Training Development Laboratory
UCD	Universal Cadastral Database
UNCITRAL	United Nations Commission on International Trade Law
USAID	United States Agency for International Development
WB	World Bank
YEBA	Young Egyptian Bankers Association
Z&K	Zarrouk, Khaled & Co.

Introduction

This Quarterly Progress Report (QPR) summarizes the technical assistance and applicable procurements provided by the Egypt Financial Services (EFS) Project during Quarter 1 of Year 2 (January 1 – March 31, 2006).

The EFS project divides its activities into four main tasks, each with key institutional partners and specific activities designed to achieve objectives defined in the EFS Year 2 Work Plan.

Task 1: Establish a supporting framework for the real estate finance industry

Task 2: Improve operation of urban real property registration system

Task 3: Develop framework and procedures for secured lending and new financial instruments

Task 4: Establish a broad-based credit information system

The Executive Summary provides an overview of project accomplishments to date, a list of technical reports prepared during the quarter, as well as a list of other significant materials provided to USAID and/or counterparts. Following the Executive Summary, each task's progress and achievements are presented separately. A final section addresses EFS project management and its Monitoring and Evaluation component. Annex materials provide reference for:

- EFS training/events delivered during the quarter
- Direct procurements
- Short-term advisors fielded during the quarter
- EFS long-term staff

SECTION I: Executive Summary

Since its inception, EFS has partnered with the Egyptian government and private sector to strengthen the institutional capacity of the country's public and private sector to launch and regulate the key components of a real estate mortgage system that meets international standards. Such standards include a redesigned and secure registration title system; comprehensive real estate mortgage lending and regulation, including appraisal, brokerage, and lending activities; creation of new financial instruments, such as a secondary mortgage market that will facilitate the development of the primary mortgage market as well as development of a collateral registry system; and development of a private credit bureau system with a suitable consumer protection mechanism that rewards those with good credit records with lower interest rates.

These objectives will support implementation of the redesigned and upgraded mortgage financing system. Through institutional strengthening, regulatory reform, and professional development, the project promotes the emergence of a modern real estate registration, mortgage, investment, and credit system in Egypt.

The project has made substantial progress this past year in meeting its objectives through technical assistance, training, introduction of IT applications, and public awareness.

Having made real progress in Year 1, EFS expects substantial outcomes for Year 2, including:

- Continued institutional strengthening at both public and private partner institutions.
- An improved regulatory framework with market regulations and best practices strengthened in all areas.
- An enhanced mortgage industry consumer protection and credit information system.
- EFS partner associations with improved credibility and expanded membership to drive training and best practices.
- Increased professionalism of industry stakeholders through a variety of targeted and relevant training programs.
- Improved IT capacity at key institutions, such as the MFA and private credit bureau.
- A communication strategy in place to shed light on mortgage, registration, new financial instruments, and credit bureau initiatives for stakeholders and the public.
- Title registration introduced in urban areas in support of the National Title Registration Program (spearheaded by the Ministry of State for Administrative Development), reforms to extend the existing deeds-based registration system to secure expanded mortgage lending in the New Urban Communities, and the installation of automated registry and cadastral systems.
- The establishment of an operational mortgage finance liquidity facility in collaboration with the World Bank.
- Introduction of the concept of a modernized collateral registry.
- More than 120 training programs conducted. The programs, covering policy issues and technical areas, will be attended by at least 2,000 employees of the Government of Egypt, private sector companies, and private real estate professionals.

ASSESSMENTS AND ANALYTICAL STUDIES PREPARED THIS QUARTER

Title	Technical Report Number	Task	KRA
Oversight and Regulatory Issues: IT Standards for Successful Operation of Credit Bureau	32	4	4.1.2 4.1.6
Structural Recommendations: A Suggested Organizational Chart for ESTEALAM	33	4	4.2.9
Summary of EFS Concepts and Proposals for Egyptian Cadastral System	34	2	2.1.1
Egypt Affordable Home Production Program (AHPP)	35	1	1.4.4
MFA Manual for Supervision and Examination Programs	36	1	1.1
MFA Report on Organization, Status, and Regulatory Framework	37	1	1.1
Regulatory Oversight Procedures Manual	38	4	4.1.2
Rules, Regulations and Licensing for Egyptian Credit Bureaus	39	4	4.1.1 4.2.2
Summary of EFS Concepts & Proposals for Egyptian Cadastral System	40	2	2.1.12
Preparatory Phase for Production of Siqueal El-Ainee in Urban Areas: Field Manual	41	2	2.3.8
Systematic Registration and Adjudication Training Needs Assessment	42	2	2.3.6 2.3.8
Guide to Field Work for First Registration in Nasr City, Sixth of October, and El Maadi	43	2	2.3.7
Introduction of Siqueal El-Ainee in Urban Areas	44	2	2.1.1
Survey Equipment Procurement Specifications	45	2	
Recommendations to Expedite Mortgage Registration Under Siqueal El-Shaksi	46	2	2.1.6

SECTION II: Progress Report by Task

TASK 1: ESTABLISH A SUPPORTING FRAMEWORK FOR THE REAL ESTATE FINANCE INDUSTRY

Key Accomplishments

A. Activities Performed During Quarter

MFA Regulatory Activity - The Advisor and team members worked at the MFA to refine the draft examination manuals and programs, develop regulations for mortgage finance companies and for the Egyptian Liquidity Facility, train MFA Industry Affairs Advisor and staff in examination “best practices”, and assist in a pilot on-site examination scheduled for Q2.

Credit Policy Advisor - The Advisor reviewed credit policies and procedures at Tamiir Mortgage Company (TMC) and, to a lesser extent, at EHFC. A report on work flow, job descriptions and suggested revisions to credit policies/procedures was presented to senior management at TMC; most of the findings were adopted. Moreover, the Advisor made a brief presentation to Chairman Saleh and his deputy at the MFA. Finally, the Advisor prepared a “generic” credit policy/procedure manual. EFS and MFA staff are working jointly to add to the generic version so that the MFA can provide a copy upon request from new mortgage lenders.

Task Force for Activating the Mortgage Market - The Task Force discussed ideas including recruitment of a Short-term Advisor to work on a communication strategy. The implementation of ideas will be in two phases: a behavioral survey for the targeted groups and then a communication strategy based on the results. This will require a second conversation with the MFA.

Capacity Building at CMA - Upon a special request made by the Capital Markets Authority (CMA) Chairman, EFS COP, DCOP and Task1 and Task 3 Senior Financial Advisors met with CMA Chairman to review his request for training for the CMA staff in the fixed-income unit on the Procedures Manual and the prospectus prepared according to the best practices. As agreed with the Chairman, an Action Plan for implementing the program was prepared.

Escrow Accounts - The MFA chairman requested a report on Escrow Accounts. Task 1 team members did so, which included information about the definition of escrow accounts, usefulness, legal requirements, and successful models in other countries.

MFA Staffing: The Research Analyst was hired this quarter under the USAID funding program. Only a few positions are left unfilled. Additional resources have allowed the MFA to push for more reforms.

Legal Reforms - Our Short Term Legal Advisor, David Wilkes worked with local counsel, mortgage lenders and others over a 10-day period to produce a draft “Strengthening Egyptian Mortgage Contract, Compliance and Consumer Protection with Suggested Legislative Amendments”.

Legal Support - EFS presented a written summary of recommendations to improve the title and registration process to the project CTO at USAID. Comments were received and the recommendations will be vetted with mortgage finance companies and then Chairman Saleh at MFA. Related work involved the Core Working Group on Real Estate at the American Chamber of Commerce in Egypt. A written summary of Task 2’s report on the registration

process was presented, including recommendations to improve the process. AMCHAM will consider these recommendations for inclusion in its concept paper that will receive broad circulation during its conference in mid-May. The financial sector and real estate finance issues are key topics; the Prime Minister is invited as keynote speaker.

El Taamir Mortgage Company (TMC) - Meetings were held with TMC on: 1. its credit policies/procedures (see above reference to Credit Policy Advisor), 2. IT and MIS challenges and solutions and 3. legal issues. Regarding IT and MIS TMC is considering converting its internally developed software into a specialized Mortgage Software. EFS IT Advisor also proposed to have a mortgage finance software package for TMC and other lenders. There may be a sector-wide approach to meeting IT and MIS needs since many lenders are likely to be in a position similar to TMC. TMC is developing a questionnaire for lenders to gather all necessary information regarding what is required from Mortgage Finance Software applications. These questions will help provide EFS with a better understanding of the requirements of mortgage applications.

Another meeting was held with TMC to discuss their findings and suggestions for amendments and improvements on the Mortgage Finance Law and mortgage-related operations. TMC's major concerns were generally related to the tripartite agreement, registration, foreclosure, and information discrimination among registry office.

Egyptian Housing and Financing Company (EHFC) - Biweekly meetings were held with EHFC to discuss their findings and recommendations necessary for amendments in the Mortgage Law. Their major concerns are generally, the price clause and the loan parameters in the contract, proportional fees and foreclosure.

Other topics included the status of EHFC after the sale of their major shareholder (EAB) to Calyon Bank, the possibility of new branches and expansions and the status of portfolio acquisitions following the new regulatory guidelines announced by the MFA.

Banks - Substantive mortgage finance issues were covered with Deputy Chairman Attia at the National Bank of Egypt including EFS training and how to organize a real estate lending department. Clearly, NBE is interested in the market beyond participating in the subsidized financing offered through GSF. Other bank contacts were maintained with National Société Générale Bank (NSGB) and Commercial International Bank (CIB) to understand how banks serve mortgage lending, differences in procedures between Banks and MFCs, and comments/concerns regarding mortgage finance law. The major concerns of these banks were generally foreclosure, registration, mortgaging and loan parameters in the agreement. It appears that banks are generally relying on two party lending agreements (not tripartite ones as required under the REFLaw) that include favorable lender terms (like foreclosure provisions). It's questionable if such agreements will be held enforceable in the courts and whether the new Egyptian Liquidity Facility will accept 2 party agreements as part of the financing packages for primary lenders.

Standard Documentation - After taking comments from EFS legal counsel and reportedly from the MFCs, MFA has released and the Ministry of Investment has approved three standard tripartite agreements (sale, construction and renovation). This is a USAID deliverable and we are analyzing the documents.

Initiate Quarterly Check of Loan Data

Task 1 Mortgage Loan Database

Co. Name	Volumes				Values In '000				Accumulated	
	2005	Jan. 2006	Feb. 2006	Mar. 2006	2005	Jan. 2006	Feb. 2006	Mar. 2006	Volume	Value In '000
EHFC	243	20	14	97*	66,947	6,134	3,449	76,461*	374	152,991
TMC	73	8	74**	33**	14,925	2,442	5,709	7,589	188	30,665
Grand Total	316	28	88	130	81,872	8,576	9,158	84,050	562	183,656

*including the acquisition of a portfolio of 95 loans/74,932 Thousands EGP

** February and March combined includes 47 GSF contracts

Bank mortgage loans outstanding as of December 31, 2005 - LE 124,000 million (exact number of loans undetermined) This figure has increased during the past 3 months by at least EGL 6 MM based on information conveyed to the MFA. Banks report mortgage information quarterly to the CBE, the source of MFA information.

Guarantee and Subsidy Fund - Task 1 was invited by the MFA to the Ministry to celebrate transfer of 300 units and mortgage contracts to low-income buyers. The ceremony was attended by the MFA chairman, MFA deputy and Board, the National Bank of Egypt chairman and TMC chairman. TMC and the NBE are the two institutes financing the mortgages of this program. The GSF expects to settle on nearly 1000 units with mortgages during Q2. We will monitor progress and offer support.

Training Support for Task 1

English Training Course - Results for the English Language Training Program (Round 8) that took place from December 18, 2005 through March 8, 2006 were released. The program covered 12 participants, all of whom passed.

World Bank Conference on Housing Finance in Emerging Markets, March 14-19, 2006 - The Training team worked very closely with USAID and Ministry of Housing for Ms. Laila Darwish, Advisor to the Minister of Housing, to attend, the World Bank Conference on Housing Finance in Emerging Markets in Washington, DC with our CTO. The training team contacted her upon her return to solicit feedback from her trip.

Mortgage Conference - Members of Task 1 attended a two-day conference "Removing the Obstacles to Residential Mortgage Finance in the Arab World" sponsored by the Arab Academy of Banking and Financial Services Volunteer Corporation (FSVC). A wide range of topics were presented and extensive question/answer periods focused on Egypt-related issues (a full agenda is available). Talking points were prepared for the MFA Chairman covering regulatory and supervisory issues.

Foreclosure Workshop: EFS hand-delivered Foreclosure Workshop materials in Arabic to Counselor Shakib at the NCJS. The Minister of Justice has approved the workshop to be held in mid- May 2006. A lengthy meeting among EFS, AOJS, Counselor Shakib, and assistant Counselor Busiouni, set the parameters for participants, training local trainers, location, and a road map for rollout to locations outside Cairo.

Alliance for Real Estate Conference - The event information was sent to the COP and Task 1. Task 1 staff members attended the conference, and provided technical feedback to the EFS team.

Egyptian Primary Mortgage Market Course - The “Egyptian Primary Mortgage Market” course commenced on Sunday 12th March, 2006. The course lasted the full work week, and was attended by twenty-two participants from various banks, the Ministry of Investment, the Mortgage Finance Authority and a mortgage company in Egypt. The course was organized in cooperation with the Egyptian Mortgage Association and the Mortgage Bankers Association in the United States, and was held at Egyptian Banking Institute.

Association Board Orientation Workshop - Workshop took place from February 21 - 22 at the Four Seasons Plaza Hotel. The EFS Training team attended to supervise logistics, observe participant contribution, provide feedback to discussion, and evaluate the event. A significant number of board members from both EAREA and EMA attended and actively participated. The founding group of the Egyptian Real Estate Brokers Association attended and participated in the workshop. As a result of open discussions and consultation between founding members, elections to form the Board of Directors was conducted to form a temporary board for 6 months to facilitate establishment, then new elections will take place.

Association Development - The 3 Consultation days with Larry Milner for each association to develop the associations’ business plans continued. The meetings took place with the Business Plan Committee of BOD members for the 3 associations during the first week of March 2006. As a result, strategic plans, action plans and business plan checklists with estimated budgets were developed for three associations for the year 2006. A final report was prepared by Mr. Milner.

Appraisal Courses - A roll-out of Appraisal courses took place in this period. Seventeen participants attended the “Market Analysis and Highest and Best Use” and the “International Valuation Standards” courses. These two courses were delivered in Arabic by the EAREA instructors. Twenty participants attended the remaining three courses (Basic Appraisal Principles, Basic Appraisal Procedures, Residential Report Writing and Case Study) that were conducted as TOT by Mark Bates and Jim Vernor from the Appraisal Institute. The delivery of these five courses signifies the completion of a very large segment of the EFS plan targeted to benefit the appraisal industry in Egypt.

Regulators’ Workshop - The Regulatory Advisor and EFS staff delivered brief workshops to Industry Affairs Advisor and staff at the MFA on financial intermediaries and discussed important issues in their regulation, focusing on mortgage finance companies (MFCs). The workshops will continue and cover other subjects relevant to the up-coming examination (see prior note on Regulatory Advisor).

IT Support for MFA

MFA Leased Line, Five Servers and Network - Installed and working.

MFA Document Management System - A short-term Electronic Document Management System Specialist joined the team this period. The specialist reviewed the MFA IT Needs Assessment Report and project status and prepared a questionnaire for collecting required information, for Archiving System and Workflow. He also prepared an awareness session for MFA Staff.

MFA Call Center - MFA conducted the training for the Call Center agents. The MFA Call Center will officially launch on April 9. Members of the EFS staff have called the Call Center to test the agents and were pleased with the pleasant demeanor and efficient, accurate answers to their questions. EFS is paying the operating costs.

MFA Portal Development - As scheduled, IT Worx posted the Beta Version of the MFA Web Portal at a temporary address for User Acceptance Test. The Task 1 Team was instrumental in providing assistance with drafting, editing, and translating content of the portal.

MFA Microsoft Software Components - MSAD notified EFSP that the conflict with Microsoft was resolved and requested to proceed with the procurement of the Microsoft Software Components.

Public Awareness Support to the MFA

Developers Workshops - In response to a special request made by the MFA Chairman, Task 1 Team leader with the help of the Mortgage Team developed a set of persuasive talking points for the chairman.

Developer's Meeting - Task 1 attended a meeting between the MFA Chairman and developers, brokers, appraisers, government officials and members of the press. The meeting was organized by the Real Estate Association (Developers). The Chairman briefed the attendees about the benefits of mortgage finance and urged them to sell their units in accordance to the mortgage finance law by making more use of mortgage lenders.

Public Awareness Quarterly Plan - The PA team developed a quarterly plan for PA activities to be conducted during the coming quarter to support the MFA communication objectives. The Plan has been discussed with the MFA and implementation has begun.

MOI Flyer - As per the request of Mr. El Kady, 1500 copies of the Mortgage Flyer were reproduced and delivered to MFA.

MFA Media Forum - Members of Task 1 attended the forum on "General Strategy to Activate Mortgage Financing" that took place on February 8, 2006 at the Conrad Hotel with main speaker the Chairman of MFA.

B. Activities Scheduled for Next Quarter

- Follow-up on regulatory issues related to Greg Taber and MFA and accelerate drafting regulations for the ELF
- Follow-up on GSF progress to settle another 1,000 mortgage loans
- Propose registration and mortgage finance plan to Ministry of Housing for a pilot project in NUC
- Plan and deliver the Judiciary Workshop on Foreclosure in May
- OST training at Wharton for the chairman and deputy chairman at the MFA and Dr. Oteify at the Ministry
- Finalization of MFA Portal Content
- Preparation of the first media education session
- Development of the information kit brief and budget
- Update Developers Survey Brief
- Begin MFA equipment procurement for Phase II
- Finalize the RFP for the Electronic Document Management System and Workflow Systems
- Five IT Training Courses
- Four new Mortgage Courses
- A new offering of the five appraisal courses
- English language training for the MFA staff

- The “International Housing Finance Program” in the United States, for the MFA chairman, the deputy chairman and two participants from the Ministry of Housing

C. Challenges Encountered and Proposed Remedial Actions

Developing new courses presents significant demands on project and counterpart resources, particularly when localizing materials for four new mortgage courses. Experienced mortgage lenders are our main source of information but they must meet increased loan demand, carry on duties for newly formed associations and partake in other forms of job training. To meet this challenge, a short term Egyptian “coordinator” will be hired and directed to plan the localization effort in phases thereby minimizing the impact on ourselves and our counterparts. Communication with counterparts is key during the early phases. Lastly, new mortgage lenders and potential trainers will be recruited.

Because of USAID initiatives and a ministry change at the Ministry of Housing, EFS has an opportunity to make inroads in registration and mortgages in new urban communities (NUC). We must take full advantage of this opportunity. To meet this challenge, Task I and Task II will present a focused way forward on a pilot project in a NUC like October the 6th. The groundwork has been laid and the latest Mission Report from the World Bank presents some workable alternatives for registration and mortgages. We expect some cooperation comes from the Ministry of Justice.

TASK 2: IMPROVE OPERATION OF URBAN REGISTRATION SYSTEM IN THE MINISTRY OF JUSTICE

Key Accomplishments

A. Activities Performed During Quarter

Preparation of Cadastral Index Maps - EFS Task 2 met with Chairman Hisham and senior ESA staff on several occasions during this quarter to review Egyptian Survey Authority’s (ESA) role in preparing the survey book and cadastral index maps related to first registration. It was agreed that ESA would promulgate new technical instructions pertaining to first registration. Draft technical instructions were submitted to ESA in English and Arabic. To further support first registration, ESA requires Quality Assurance and Quality Control standards be set in place to ensure performance compliance against documented standards. EFS prepared a QA/QC draft document for initial ESA review in March 2006. Proposals to outsource field survey services were discussed and agreed upon. Private sector personnel may be used to prepare cadastral index maps, primarily the building footprint and definition of each real estate object to be registered. ESA will retain responsibility for demarcating each land parcel. All digital data and field records remain the ownership of ESA.

Task 2’s Cadastral team composed of Bob Cross, Mosaad Ibrahim and Fatma Kader, presented concepts on privatization strategies for surveyors, quality control and quality assurance standards for preparation of cadastral index maps and revised technical instructions pertaining to first registration. At the Chairman’s request, it was agreed to intensify meetings between EFS and ESA to more rapidly assess and internalize EFS proposals and to organize, prepare, and schedule a one-day workshop on outsourcing and privatization to be held at ESA. The workshop is planned for 18 April 2006.

Survey Equipment - Task 2 submitted procurement specifications for survey equipment to PMU for further action. The PMU in Washington will handle the procurement and have advised that bid estimates will be ready mid- to late-April.

MSAD's Emerging Role - Task 2 Leader facilitated and attended an informal meeting between Emad Hassan, MSAD and CTO Gregg Wiitala on 7 February. The meeting afforded an opportunity to review MSAD initiatives for urban registration and discussion centered on how EFS resources could assist in supporting MSAD objectives. It was agreed closer collaboration is beneficial. On 6 March 2006 we met with Mr. Emad Hassan to review MSAD's proposals for TA from EFS and follow up on agreements reached at our recent workshop.

An official letter from the project to MSAD detailing proposed collaboration and support to the National Registration Project is under final preparation by Task Leader. EFS will continue to prepare TA inputs/reports on the redesign and implementation of the title registration system, while at the same time prepare an action plan to upgrade the deed system.

Data Catalog for Title Registration System - EFS submitted a hard copy of our draft Data Catalog report for the title registration system on March 30 to Mr. Emad Hassan. The Task 2 Leader made revisions to three discussion notes for the EFS Task Force charged with identifying measures that can be taken to accelerate mortgage loans and registration of these loans.

Coordination with MCIT - Team Leader and Team met with Dr. Hesham El Deeb and Mr. Khaled Abdel-Hamid, both MCIT, on 13 March 2006 to present EFS functional requirements specifications and document analysis report pertaining to the new title registration system. MCIT is an important stakeholder in registration as this agency is coordinating the introduction of title registration in agricultural areas. It was agreed that MCIT would confirm with EFS the need for a follow up workshop along similar lines to the recent one-day workshop with MSAD.

High-Level Advisory Committee - Task 2 Team met with Mr. Peter Bittner, Senior VP Chemonics and Mr. Roberto Toso, Director, Chemonics on 14 March 2006 to review Task 2 progress, redirection of scope and constraints. It was agreed that a high-level Advisory Committee of the type proposed by Task Leader in September 2005 remains a top priority. Management and USAID will follow up on this item with the Minister of Investment this month. Team Leader and Chemonics management met with QSIT management (Mr. Tarek Wahby) on 15 March to introduce Mr. Toso and review QSIT's potential role and tasks in the revised work plan. Team Leader prepared three discussion notes for the EFS Task Force charged with identifying measures that can be taken to accelerate mortgage loans and registration of these loans.

USAID Strategy Session to Expedite Registration - EFS prepared materials and attended a strategy session with USAID on February 26 with the objective of how to expedite registration of mortgages and increase loan origination (both volume and number) of home finance loans. It was agreed that measures should be implemented to expedite the backlog of unprocessed registrations now with two mortgage companies – EHFC and Al Taamir. This will be taken up with MFA. Agreement in principle was reached to define and make operational the wholesale acquisition of developer sales installment contracts and convert these into mortgages. Task 2 Legal team will continue to assist Task 1 in developing practical solutions. Task 2 will soon complete a report on remedial measures and actions that can be taken by government to upgrade the operative deed system in urban areas. Key proposals from this report were presented to USAID in the same meeting.

Title Insurance - Team Leader Menelaws and Justin Holl met with Mr. Ahmed Arfein, Deputy Chairman, Misr Insurance Company on February 28 to review title insurance issues and its potential use in Egypt. A briefing paper on title insurance and its context in Egypt was

submitted and discussion focused on lenders title insurance policies and American Land Title Association forms were provided as product examples.

Ministry of Housing Support for Registration - EFS met with Mr. Mohamed El Alfy, Assistant Minister and Ms. Laila Darwish, Advisor to the Minister, on March 29 to request MOH support for the designation of Sixth of October as a pilot district for registration services, as well as access to data held by New Community Authorities. The meeting was arranged by Mr. Gregg Wiitala, CTO, USAID, who attended. It was agreed that MOH will be added as an official signatory to the GOE/USAID Project Agreement and USAID will prepare an official letter of request for MOH participation and support to the EFS project. Task 2 will prepare a short presentation on key issues and proposed solutions pertaining to registration for the Minister of Housing.

Training Support for Task 2

ESA Training Facility - Task 2 Training team visited ESA's main Training Facility on 1 March 2006 to re-inspect the training premises and review minor upgrade requirements to modernize the facility to be funded by EFS.

MSAD Workshop - EFS organized and held a one-day Technical Workshop on February 27 aimed at informing Mr. Emad Hassan, MSAD of EFS progress to date. Team members made several presentations highlighting key recommendations on reengineered business processes for the title registration system, administrative and legal reform, current and proposed EFS procurement, functional requirements specifications for the automated title system, training proposals, public awareness, outreach and education strategies and recommended technical approach for first registration. The workshop concluded with an open forum discussion on how EFS can support MSAD and Mr. Emad Hassan in designing and implementing the national urban registration project. The workshop afforded an opportunity to both EFS and USAID to learn more about MSAD objectives and planned approach to implement title registration in urban areas.

Regional Seminar on Registration - Task 2 Leader prepared materials and was a guest speaker at the Regional Seminar sponsored by the Arab Academy and Financial Services Volunteer Corps held 12 February 2006. The slide presentation was entitled "*Steps to Popularize Registration and Interim Measures to Increase Registration of Mortgages*". EFS legal team prepared a briefing paper on Title Insurance for review and further use by Task 1.

IT Support for Task 2

Training Development Laboratory (TDL) - The home office completed the procurement of the TDL equipment. Delivery is expected to take place on April 12, 2006. Site preparation/refurbishment and equipment installation at the TDL is on schedule for completion by mid-June 2006.

B. Activities Scheduled for Next Quarter

- Draft Report – Training Course Outlines for First Registration – under preparation
- Draft Report – Proposed Communication Strategy to support First Registration – under preparation
- Draft Report – Proposed Remedial Steps and Action Plan to upgrade Deeds System – distributed to USAID and MOH

- Preparation of official letter from EFS to MSAD describing planned collaboration and support to the National Urban Registration Project
- Preparation of SOW to acquire datasets to support registration in New Communities and assist convert deed system to a parcel based index
- EFS plans to conduct with ESA a one-day workshop in mid April 2006 on outsourcing and steps to develop private sector capacity in survey services and the preparation of cadastral index maps.

C. Challenges Encountered and Proposed Remedial Actions

- Policy, legal and regulatory reform, operational policy reform and implementation are impeded by the absence of an EFS project wide coordinating policy review and steering committee. Such a committee is essential in the broad multi-agency, multi-task environment facing the project. A draft document outlining the role, composition and duties for such a committee was prepared by the Task Leader and submitted to USAID and management. Action is anticipated in the next quarter to establish such a committee.
- Obstacles imposed by senior judges affect our ability to work directly with REPD staff and registry offices. Effective implementation can only occur if EFS has day-to-day access to REPD staff and registry office records. Co-positioning EFS staff with REPD staff remains uncertain. EFS is maintaining informal contacts with senior REPD staff in the interim.
- Obstacles to access to valuable data. Despite requests, EFS has been unable to obtain data held by New Community Development Boards such as subdivision maps, building unit plans, developer records of sales and sales installment contracts, list of property owners, etc. Access to this data will enable rapid mass formalization and registration of ownership in New Community areas and result in a dramatic expansion in the number and volume of mortgage loans. Based on an initial series of meetings with senior MOH officials it appears EFS will receive official endorsement to work in the Sixth of October.
- Evolving policy mandates and fluidity in government response/prioritization of property registration affect the EFS project. Subsequent to USAID project formulation and project start up, the Prime Minister assigned the mandate to coordinate, upgrade and implement national urban registration to MSAD. With the advent of funding in late 2005, MSAD emerged as a key agency and potential counterpart for the EFS project. Earlier EFS initiatives in March 2005 to forge a tripartite agreement under MSAD remained unsigned and as a result EFS entered into bilateral agreements with MoJ/REPD and ESA - the two process owners. EFS is now in the process of identifying and negotiating a protocol agreement with MSAD that assures continued "buy-in" and acceptance by MoJ/REPD and ESA. In addition, existing protocols between GOE and USAID may require revision to reflect recent government initiatives and include MSAD as a signatory. Duplication issues between the EFS and National Urban Registration Projects have emerged that require clarification and will result in redefinition of our technical assistance, work plan and budget.
- Task Leader will prepare a formal written response identifying EFS support to MSAD's national urban registration project.

TASK 3: DEVELOP FRAMEWORK AND PROCEDURES FOR SECURED LENDING AND NEW FINANCIAL INSTRUMENTS

A. Activities Performed During Quarter

Key Accomplishments

Performance Indicators and Societal Impact Measures - Subsequent to meetings with short-term advisor, Eric Abbott, Task 3 team developed performance indicators and societal impact measures for EFS activity to activate mortgage secondary market and introduce new financial instruments.

First Securitization Bonds - The public offering of the first securitization bonds of LE 140 Million by Contact Company was more than twice over-subscribed. This reflects the success of the first issue of this instrument in the Egyptian market. Other companies are now considering securitization of a portion of their portfolios of car loans and real estate loans.

CMA-NASD strategy for new financial instruments - EFS Task 3 team had a conference call with NASD to discuss arrangements for the upcoming assignment of NASD on 24 April - 17 May 2006 to work with the CMA on developing a strategy for introduction of new financial instruments to the capital market in Egypt. Later on, Task 3 team prepared an outline of a preliminary report on that subject to provide NASD advisors with background information on the proposed instruments, indicators of needs for the instruments, economic basis for such needs and market capacity to regulate, trade, settle and intermediate in those instruments. The outline was shared with the CMA Chairman in a meeting on Tuesday March 28 to engage the CMA staff in preparation for NASD assignment.

DCA - Chemonics' Carrie Averich came to Cairo for a meeting February 3 with EFS COP, DCOP, Task 1 Leder, and USAID CTO Gregg Wiitala, DCTO Ingi Lotfi and former Commodity Import Program Manager Tawfik Frega, to review possible applications of the DCA program to EFS. Two applications were retained: 1) a bond issue on the capital market by mortgage lenders for longer term funds, and 2) guarantee financing to SMEs for equipment. An action plan and SOW was proposed by Carrie Averich, inclusive of USAID DCA local specialists and Paul Friedman and accepted by USAID for performance in the next quarter. Task 1 Leader is to follow up with MFA Chairman on application 1 as an incentive to activate mortgage lending.

Repo Presentation for CMA - The introduction of the "repo" market (comparatively most important worldwide, in trading values) in Egypt requires the prescription of a master standard agreement under executive regulations, and allowing dealers to maintain bond inventory. This requires the CMA to revisit current dealers' stringent capitalization requirement. Dr. Ahmed Abu Ali delivered his draft legal opinion to EFS, as requested by CMA as the draft repurchase agreement from the Ministry of Finance, revised by EFS. EFS is reviewing the draft and opinion with US Treasury Advisor Keith Krchak, in light of such opinions in other countries and Egyptian bank opinions, in order to finalize it. In its meeting with Keith, Task 3 team also discussed a presentation to the CMA on repos and an action plan, to be followed by workshops to dealers, brokers, to their customers, and to the CMA staff. Keith's presentation to the CMA Chairman is scheduled for next week to finalize an action plan.

Commercial Paper - In two separate meetings with EFS, the CMA Chairman and deputy Chairman confirmed that the CMA is interested in initiating work on commercial papers as money market instruments. The CMA is currently reviewing the concept paper presented by EFS and will call for a discussion meeting with EFS to identify next steps to be taken. The CMA has been approached by a private-sector bank to explore requirements for registration and approval of offering of commercial papers.

Amendment to Securitization Executive Regulations – At the request of the CMA Chairman, EFS prepared an opinion paper on a proposed amendment to Article (306) of the executive regulations to the Capital Market Law. EFS then met with CMA Hesham Ibrahim, Menouch Abdul Maguid, and Eskandar Tomaa and reached a final recommendation on the proposed

amendment, followed by a Task 3 memo presented the CMA BOD, who subsequently adopted the proposed amendment.

Existing article (306) has a threshold on the amount of a securitization bond to be issued, that is the lesser of: 1) present value of the portfolio total amount; and 2) the principal amount of the portfolio loans. The purpose of this threshold is to protect bondholders with “over collateralization”. The application of that former article resulted in “over collateralization” for some bond issues where present value was higher than the principal amount, thus penalizing issuers with good portfolios. The amendment removed this threshold and leaves it to market players to select the amount or type of over collateralization or credit enhancement for a securitization bond issue. The new article requires bond issues to be rated (BBB+), higher than the rating of underlying portfolio (BBB-). The higher rating of the bond issue will make the issuer and issue manager provide a credit enhancement of a value and type acceptable to bondholders and market practices. Such credit enhancements include over collateralization, insurance policy, third party guarantee, replacement of bad loans, etc. It introduces flexibility for the issuer while preserving the conservative investment risk of asset-backed securities.

New Instruments Training - EFS Senior Project Manager Peter Bittner and Project Director Roberto Toso, met Chairman Hani for the first time and at his new office at the Smart Village, with François Pépin. The Chairman reiterated his request to EFS, TAPR II, and USAID, to build CMA internal managerial capacity. EFS agreed to assist with respect to new financial instruments, and coordinate such efforts with TAPR II. In this regard, EFS has contacted BDO Zarrouk, Khaled & Co. to assess LOE required to extend their work with the CMA to cover non-regulatory functions (finance and admin, IT and international relations). A discussion will be initiated with TAPR II and USAID accordingly.

CMA Restructuring - Senior Systems Reengineering Advisor Mohand Khaled and Mohamed Abdel Salam from BDO Zarrouk, Khaled & Co., and EFS Senior Financial Advisor Ahmed Hussein presented to the CMA Chairman on Wednesday March 29, Part One of their report on enhancing the CMA work flow cycles and operations of the newly established Office of Filings and Information Services at the new CMA premises in Smart Village. The recommendations were accepted by the CMA Chairman and work flow cycles will be automated in cooperation with the MSAD. This will ultimately enhance the efficiency of the CMA to provide better services to market participants. The second part of the report is due on April 15.

Fixed-Income Procedures Manual - COP Allen Decker, Senior Financial Advisors for Tasks 1 and 3 Manal Shalaby and Ahmed Hussein, and François Pépin met with CMA Chairman at his request, to develop an internal on-the-job training program on the fixed-income internal procedures manual, written and developed by Manal Shalaby on the former USAID/CMD project. EFS developed and delivered an action plan for the training and manual update through a series of training sessions by EFS Senior Financial Advisors Manal Shalaby and Ahmed Hussein, to the CMA. The action plan is under review by the CMA Chairman. Following the completion of training and update, the manual will be approved internally by the CMA for regular update and utilization. Training is scheduled to begin in May.

Securitization - CMA has requested the opinion of EFS on an inquiry from Egypt Arab Land Bank regarding investment of surplus funds of its potential securitization portfolio in a mutual fund. EFS Senior Advisors drafted and submitted an opinion based on reviewing the relevant provisions of the executive regulations of the Capital Market Law. A legal research assistant is currently researching Securitization in the Egyptian Tax Law.

Mutual Fund Regulatory Framework - EFS sent a draft scope of work to the CMA Chairman and Deputy Chairman, for a Mutual Funds Regulatory Advisor and the resume of the

proposed advisor to work with the CMA on reviewing and updating the recommendations provided to the CMA by the British Advisors in 2002, to develop the investment funds industry and to prepare an implementation plan to carry out these recommendations.

Factoring - Senior Legal Advisor Shamsnoor Abdul Aziz and Senior Financial Advisor Ahmed Hussein reviewed the Arabic version of Factoring Rules and Regulations drafted by Legal Advisor Mohamed Abdel Wahed. The documentation is satisfactory except for the requirement of a financial institution being a shareholder of a factor, contrary to the EFS short-term advisor's prior specific recommendation. However, the matter was brought to attention of and discussed with the draftsman, who confirmed such requirement will not impair the granting of license to the ten current serious applicants for a factor license. The documentation is before the Ministry of Investment and GAFI for approval.

Leasing - François Pépin discussed with FSVC Andrew Cunningham the lack of follow up by GAFI to EFS December 2005 proposal for assistance, IT and public awareness on the leasing regulatory framework and registry. FSVC is about to release a copy of its report and policy recommendations, resisted by GAFI but based on the leasing industry meeting of 18 December 2005. EFS is prepared to implement the recommendations set forth by FSVC. François and FSVC Yomna Moustafa will arrange a meeting with its new Country Director Ms. Thelwa Tajirian and GAFI upon release of the report for follow-up action. FSVC's action is coordinated with the Ministry of Finance, its Canadian donor advisors, and GAFI.

Judges Club - Francois Pepin accompanied Judge Khaled El Nashar, at his request, and the judge and Treasurer of the Judges Club to meet USAID Democracy and Governance Messrs. Richard Gold, Bruce Abrams and Mrs. Nashwa at their offices. The Judges Club inquired into possible assistance from USAID on library facilities, as part of an advocacy function of the judges independence from the Executive. USAID provided directions on how to benefit from its assistance.

Egyptian Liquidity Facility (ELF) Offering Memorandum - François Pépin reviewed the draft Offering Memorandum from MFA, prepared with the assistance of EFS legal advisor Bahaa Ali El Dean, and provided his written comments to MFA Deputy Chairman Ashraf El Kady, and subsequently to Chairman Osama Saleh, offering to discuss additional short-term assistance to enhance these financial representations made to potential investors.

Collateral Registry Working Group - Task 3 team met with Task 1 Senior Financial Advisor Amal Ezz El Din and Task 4 leader Marian Mishriki to consider a strategy to interest counterparts in this task, the role of banks, where the registry can be located, and who are or could be our counterparts. The strategy is to contact the Ministries of Finance, Investment, and Justice, the CBE, and the largest public and private National Bank of Egypt and CIB, and present them with a short concept paper on the economic impact of a collateral registry, prepared by EFS expert short-term advisor; later, EFS will hold a seminar with the short-term advisor to present a comprehensive view of the registry to those mentioned, and FSVC and USAID as supporters of the registry initiative.

B. Activities Scheduled for Next Quarter

- DCA Applications for SME Medium Term Lending to be completed by ST Consultant Carrie Averich
- Working with Ahmad Abu Ali and the CMA legal staff to finalize the repurchase agreement opinion.
- Finalize a research on Securitization, factoring and repurchase agreement in the Egyptian Tax Law.

- Execute a preliminary study on assessing new financial instruments in preparation for NASD visit.
- Design and organize a series of workshop on repos to dealers, brokers, institutional investors, and regulators.

C. Challenges Encountered and Proposed Remedial Actions

None.

TASK 4: ESTABLISH A BROAD-BASED CREDIT INFORMATION SYSTEM

A. Activities Performed During Quarter

Key Accomplishments

Oscar Marquis Regulatory Oversight Report - A summary in Arabic of Oscar Marquis report "Regulatory Oversight Procedures Manual" was sent with a commentary from the Task Leader to the Central Bank of Egypt. Following this and on March 26, EFS called on Mrs. Zeinab Gohar, General Manager, Public Registry Department at the Central Bank to obtain feedback on Oscar Marquis report. Various issues such as the method of inspection of the credit bureau, and the methodology that CBE can adopt if they want to change the rules and regulations in the future, were discussed. EFS was informed that a circular went to the banks to prepare them to deal with the credit bureau.

Cooperation with USAID Micro Enterprise Finance Project- On March 20, the Task 4 Leader met with the COP and consultants working on USAID Micro Enterprise Finance project to provide EFS input on some data format that the Microfinance project is presently using to assess the information systems of MFIs and their readiness to provide information as per credit bureau requirements. On March 21, EFS arranged a meeting with the consultants and Mohamed Refaat of ESTEALAM where EFS Senior IT Advisor was also present. EFS was advised that ESTEALAM expects to agree with the foreign vendor on the data format sometime in June. In the meantime, the Microfinance project could help by assessing the type of data that is presently available in MFIs systems, and whether it is suitable to be sent to the credit bureau as is. Later, a bottom-up approach can be followed. The Microfinance project will provide a gap analysis report ready by mid-April which EFS can benefit from.

MOU for ESTEALAM and Non-bank Entities - EFS prepared a MOU that the Credit Bureau could sign with non-bank entities. EFS' strategy is to start with the major MFIs in order to provide comfort to them and the credit bureau. This will also make it easier for EFS to conduct due diligence studies on some MFIs to qualify them to deal with ESTEALAM. The MOU was reviewed by ESTEALAM. Mohamed Refaat, Deputy Managing Director, informed that he is willing to sign it. EFS contacted the Alexandria Businessmen Association and Leads (an MFI in Cairo) to present the idea of signing the MOU. Both microfinance institutions were open to the idea. ABA also informed that the credit bureau project will be discussed in the first meeting for the Egyptian Network of Microfinance Association. EFS will continue to arrange more meetings with the MFIs.

Linking ESTEALAM with Nonbank financial institutions - On Tuesday March 28, the office of the Ministry of Investment confirmed that they will be organizing meetings with the four regulators under it umbrella: CMA, MFA, GAFI and EISA so that EFS introduces the credit bureau project. Task 4's ultimate objective is to establish direct links between the credit bureau and a number of non- bank financial institutions so that they are also served by the credit bureau.

Potential EFS Assistance to National Bank of Egypt - On February 28, the Task 4 Leader visited the National Bank of Egypt (the largest bank in the country) to discuss credit bureau and inquire about their needs in mortgage finance. Despite the fact that National Bank of Egypt is starting to engage in this activity in coordination with the subsidy fund and MFA, no clear needs were identified though the bank welcomes any offers from EFS for technical assistance. Mortgage finance loans come under the umbrella of the retail department within the bank.

Oversight of Piraeus Bank for Mortgage Finance Development - On March 9, Task 4 Leader paid a visit to one of the board members of Piraeus Bank who will be overseeing the mortgage finance development in the Bank in addition to SME finance and internal audit. The purpose of the visit was to identify bank needs in mortgage finance. The board member stated they are concerned with the existing protection under the mortgage finance law.

Training Support for Task 4

Legal Workshop at Ain el Sokhna - Task 4 held a workshop from February 15-17 in Ain El Sokhna in coordination with the EFS Training Team. Seven legal directors from Egyptian banks and the Central Bank of Egypt attended. The legal directors worked to prepare a standard contract and forms for the credit bureau to use when dealing with consumers. Following the completion of the EFS sent the work of the committee to the Central Bank and the Credit Bureau.

Microfinance Rating Training Program - On February 14, Task 4 Leader attended the first day of a three-day training program held by Planet Finance on Microfinance Rating. The Task 4 Leader met reps from a number of microfinance institutions and the Social Fund for Development which EFS will visit as part of activities in this year's work plan that seek to bring closer the microfinance institutions and ESTEALAM.

FTC Training Program - EFS and the HO contacted the FTC to follow-up on the training program scheduled for May. Pablo of the FTC informed that they have not made yet the selection of the two technical officers who will come from the FTC to Egypt. The approved rules and regulations were sent to FTC to provide them with background information.

Credit Reporting Framework Training - Oscar Marquis, legal adviser and specialist in consumer protection issues, data and privacy considerations, delivered a successful three-day training program, January 16-18, titled "Credit Reporting Framework in the United States". The program was attended by approximately thirty participants representing the Central Bank of Egypt, Egyptian Banks, Credit Bureau, Ministry of Investment, Mortgage Finance Authority, and the two mortgage finance companies, ABA (microfinance institution) and the Egyptian Banking Institute. The program was held at the Semiramis Intercontinental Hotel in Cairo.

The program introduced the American model to the participants, and highlighted the role of the regulator in the U.S. and the importance of consumer protection rights. The last day was devoted to reviewing sample contracts that credit bureaus use in the States in their dealings with data furnishers and users. The Task Four Leader delivered a presentation on the Egyptian Model of Credit Bureaus. The presentation familiarized the participants who are not from the Central Bank or other banks with the recent developments in the Egyptian credit bureau project, to enable participants to make some comparisons with the American model and some applications to Egypt's situation. The three-day training program also witnessed plenty of discussions. The wrap-up session confirmed CBE's need for technical assistance to conduct onsite and offsite inspections of private credit bureaus.

Public Awareness Support for Task 4

ESTEALAM Website Assistance - Task 4 Leader, in cooperation with Karen Roland, prepared a prototype design for the ESTEALAM website as well as the majority of the technical content for the site. The design and proposed content will be presented to ESTEALAM on April 19.

ESTEALAM Communications Strategy - The proposed communications work plan for ESTEALAM was drafted by Task 4 leader. Karen Roland will merge the work plan and an earlier version prepared by PA team. The document will be presented to ESTEALAM at a meeting on April 19.

B. Activities Scheduled for Next Quarter

- Meeting with Cairo Microfinance Institution
- Meeting with Sub-Governor Mr. Tarek Kandil who will be also responsible for public registry and bank supervision
- Finalize technical content and website design for the credit bureau
- Finalize a sample legal agreement for use by the credit bureau
- Visit the credit bureau on various issues
- Preparation for a short course in the United States for three IT consultants from ESTEALAM and the CBE on internet security systems

C. Challenges Encountered and Proposed Remedial Actions

- Readiness level of ESTEALAM executives to interact with non-bank players is low. EFS expects that this will increase gradually. In the meantime, EFS envisions its role as paving the way for ESTEALAM, which will also enable the non-bank entities to benefit from the credit bureau project.

SECTION III: Project Management, Monitoring and Evaluation

Project Management

A. Administration

- Marwa El-Maghraby resigned her position of Senior Communications and Public Awareness Advisor on March 16
- Nourhan Al-Ayat started her position as Operations Assistant on March 8
- Kevin O'Brien announced that he will be leaving his position at EFS as the Task 1 Leader the end of June
- Training Manager Amy Hagan announced that she will be leaving EFS in July

B. Public Awareness

As a result of the Media Forum, the following published coverage on the presentation and the event:

- El Masry El Youm, Thursday March 2, 2006 – by Mr. Abdel Rahman Shalaby and Mansour Kamel
- Al Alam Al Youm – Thursday March 2, 2006 – by Ms. Fatma Ehsan

Another article was published based on information from the EFS newsletter:

- Al Ahram – March 1, 2006 by Ms. Iman Iraqi on Credit Bureau (based on the CB Chairman's editorial)

C. Training

TraiNet Training - The Training Team attended two sessions of training on the web-based USAID training management software "TraiNet" at USAID. The team was trained on the usage of TraiNet for reporting and recording in-country, third-country, and U.S. training. The team was also trained on the "Visa Compliance System" (VCS) website, which is used when sending participants to attend training in the U.S. TraiNet and VCS are also used as a tools to generate J1 visas for USAID-sponsored exchange visitors traveling to the U.S. This web-based program is a big improvement over the desktop version. However, there is still much to improve for reporting and visa initiation process functions on the TraiNet software.

ANNEX 1: SHORT-TERM INTERNATIONAL ADVISORS FIELDED THIS QUARTER

Name	Type of Specialist	Primary Area of Assistance	Target Dates		LOE Estimated
			Start	End	
Admininstration					
Peter Bittner	DCA Financial Advisor	EFS Senior Project Manager	03-13	03-17	overhead
Roberto Toso	DCA Financial Advisor	EFS Project Director	03-14	03-17	overhead
Emerson Mohr	PMU Manager	MM&E and PMP	03-19	03-25	overhead
Elham Musa	MM&E	MM&E	03-19	03-25	overhead
TASK 1					
Greg Taber	Regulatory Specialist	Task 1.1.7.4	02-22	05-22	78 billable days
Griffith Straw	Mortgage Bankers Association	Task 1.3.4	03-9	03-18	9 billable days
Steven Vallaraves	Mortgage Bankers Association	Task 1.3.4	03-9	03-18	9 billable days
Jim Vernor	Appraisal Institute	Task 1.1	03-17	04-15	19 billable days
Mark Bates	Appraisal Institute	Task 1.1	03-18	04-5	18 billable days
David Wilkes	Senior Legal Advisor	Task 1.2	03-17	03-30	10 billable days
Jane McNeil	Credit Policy Advisor	Task 1.3	02-05	3-10	30 billable days
Eric Abbott	Knowledge, Attitudes, and Practices Specialist	Task 5.4.3	03-4	03-17	17 billable days
TASK 2					
Nigel Edmead	Senior Systems Analyst/GIS Specialist	Tasks 2.3.6 and 2.3.8	02-18	03-21	28 billable days
Rehab Nour	IT Systems Analyst	Tasks 2.2.8 and 2.2.9	02-28	04-02	25 billable days
Ali Abd-El Salam	Registration Training Specialist	Tasks 2.3.6 and 2.3.8	03-13	04-20	28 billable days
Richard Gaynor	Real Property Legal Advisor	Tasks 2.1.7, 2.3.8	01-29	02-17	18 billable days
Sergiy L. Lizenko	Senior Systems Analyst & Document Management Specialist	Tasks 2.2.8 and 2.2.9	02-04	02-28	22 billable days
Noel Taylor	Registry & Cadastre Systems Adviser	Tasks 2.1.3, 2.1.4, and 2.3.8	02-14	03-11	22 billable days
Kholoud Saad	System Developer & Cadastre Specialist	Tasks 2.2.8 and 2.2.9	11-01	02-28	43 billable days

Mosaad Ibrahim	Management Specialist Outsourcing/Privatization	Tasks 2.3, 2.3.6, 2.3.8.2 and 2.6.1	01-22	12-15	132 billable days
TASK 3					
Carrie Averich	Long Term Bond Guarantee	Task 3.1.2	3/27	4/20	11 billable days
TASK 4					
Oscar Marquis	Legal Advisor	4.1 Deliver training program "Credit reporting framework in the U.S" to members of the legal committee, CBE, and the credit bureau.	01-15	01-22	7 days

ANNEX 2: TRAINING EVENT/ ACTIVITIES DELIVERED DURING QUARTER

Type of Event	Program title	Date	Location	Task	Participants
Training	Egyptian Primary Mortgage Course	Mar. 12-16	EBI – Cairo	1	22
Training	Board of Directors of Associations	Feb. 21-22	Four Seasons – Cairo	1	25
Training	The World Bank Housing Finance in Emerging Market	Mar. 14-18	D.C. USA	1	1
Training	Market Analysis Course	Mar. 19-20	Conrad Hotel – Cairo	1	17
Training	International Valuation Standard Course	Mar. 21	Conrad Hotel – Cairo	1	17
Training	Appraisal Principles Course	Mar. 22-23	Conrad Hotel – Cairo	1	20
Training	Appraisal Procedures Course	Mar. 26-27	Imperial Boat – Cairo	1	19
Training	Appraisal Case Study Course	Mar. 28	Imperial Boat – Cairo	1	20
Training	Credit Reporting Framework in the U.S.	Jan.16-18	Semiramis Hotel – Cairo	4	25
Training	Credit Bureau and Legal Agreement	Feb. 15-17	Palmera Beach Resort – Ain Al Sokhna	4	9
				Total	175

ANNEX 3: LIST OF DIRECT PROCUREMENT DURING THIS QUARTER

New Contracts from Quarter 1

- MOJ – TDL signed contract for construction amounting to LE 213,178
- MOJ – TDL waiver for furniture under process, waiting for USAID approval
- MFA Call Center for One Year (L.E. 123,400)
- TDL Network and Software (L.E. 98,829.50)
- MFA Notebooks (L.E. 27,930.00)
- MFA Microsoft Software Components (L.E. 439,180.00)

Payments from Quarter 1

- Raya Integration – MFA Infrastructure (L.E. 531,253.20)
- MFA Laser Printers (L.E. 1540.00)
- MFA Supplies (L.E. 21,642.32)

Contracts from Q4 2005 (not reported last quarter)

- MFA Leased line for One Year (L.E. 29,999)
- MFA Supplies (L.E. 21,642.32)
- MFA Air conditioner (L.E. 6,650.00)

Payments from Q4 2005 (not reported last quarter)

- MFA Leased Line – (L.E. 7,499.75)
- MFA Air conditioner (L.E. 6650.00)

ANNEX 4: EGYPT FINANCIAL SERVICES PROJECT LONG- AND SHORT-TERM STAFF

Project Management, Administration and Support

Allen Decker	Chief of Party
François-Jude Pépin	Deputy Chief of Party and Task 3 Team Leader
Hanaa El Bashari	Operations Manager/Monitoring and Evaluation Specialist
Nadia Moustafa	Senior Executive Assistant and Office Manager
Amir F. Francis	IT Manager
Gamal Kamel	Financial Manager
Mahira El Kassas	Accountant
Noha Fathy El Haddad	Translation and Publications Specialist
Sahar El Helaly	Translator/Interpreter
Nourhan Al-Ayat	Operations Assistant
Lamia Bakr	Secretary/Receptionist

Task Management

Task 1: Mortgage Team

Kevin O'Brien	Task 1 Team Leader/ Senior Real Estate Advisor
Manal Shalaby	Senior Financial Advisor
Amal Ezz El-Din	Mortgage Finance Advisor
Lamia El Zufzafy	Organization Development Specialist
Aser Obeid	Research Assistant
Perihan Khairat	Research Assistant
Mirale El Azhary	Administrative Assistant

Task 2: Registration Team

Dougal Menelaws	Task 2 Team Leader/Senior Consultant
Fatma Abdel Kader	Cadastral Systems IT Specialist
Hassem Hemeda	Real Property Registry IT Specialist
Mahmoud M. Moussa	Administrative Assistant

Task 3: Financial Instruments Team

François-Jude Pépin	Team Leader
Ahmed Hussein El Sayed	Senior Financial Advisor
Shamsnoor Abdul Aziz	Senior Legal Advisor
Mahmoud Abdel Alim	Legal Research Assistant
Rehab Seif	Administrative Assistant

Task 4: Credit Bureau Team

Marian S. Mishriki	Task 4 Team Leader/ Financial/Credit Specialist
Hanaa Hanafy	Administrative Assistant

Cross-Cutting Teams

Information Technology

Ibrahim Sabri	Senior IT Advisor
Hisham El Masry	IT Operations and Procurement Specialist
Amani Zeitoun	IT System Specialist

Training

Amy Hagan	Training Manager
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Noha Sobhi
Lubna Salem
Azza Seif
Sherry Samir Henien

Association Development Specialist
Training Specialist
Training Specialist
Training Administrative Assistant

Public Awareness
Nancy Amer

Public Awareness Specialist

Short-term Staff
Rehab Nour
Karen Roland

Task 2 Systems Project Manager
Editor, M&E Reports Specialist